



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



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DARLENE GREEN
Comptroller

DR. KENNETH M. STONE, CPA
Internal Audit Executive

Internal Audit Section

May 11, 2011

John Windom, Executive Director
St. Louis Board of Education / St. Louis Public Schools
801 N. 11th Street
St. Louis, MO 63108

RE: Community Development Block Grant (CDBG) (Project #2011-CDA15)

Dear Mr. Windom:

Enclosed is a report of the fiscal monitoring review of the St. Louis Board of Education, a not-for-profit organization, CDBG Program, for the period January 1, 2010, through December 31, 2010. The scope of a fiscal monitoring review is less than an audit, and as such, we do not express an opinion on the financial operations of St. Louis Board of Education. Fieldwork was completed on April 27, 2011.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised, and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and through an agreement with the City of St. Louis, Community Development Administration (CDA) to provide fiscal monitoring to all grant sub-recipients.

If you have any questions, please contact the Internal Audit Section at (314) 622-4723.

Respectfully,

Dr. Kenneth M. Stone, CPA
Internal Audit Executive

Enclosure

cc: Jill Claybour, Acting Executive Director, CDA
Lorna Alexander, Special Assistant for Development, CDA



CITY OF ST. LOUIS

**COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)**

**ST. LOUIS BOARD OF EDUCATION / ST. LOUIS PUBLIC
SCHOOLS**

CONTRACT #10-10-60

CFDA #14.218

FISCAL MONITORING REVIEW

JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

PROJECT #2011-CDA15

DATE ISSUED: MAY 11, 2011

**Prepared by:
The Internal Audit Section**



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

**CITY OF ST. LOUIS
COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
ST. LOUIS BOARD OF EDUCATION
FISCAL MONITORING REVIEW
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010**

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INTRODUCTION

Background

Contract Name: St. Louis Board of Education

Contract Number: 10-10-60

Contract Period: January 1, 2010 through December 31, 2010

CFDA Number: 14.218

Contract Amount: \$830,000

The contract provided Community Development Block Grant (CDBG) fund to St. Louis Board of Education (Agency) to enhance the positive interaction between the school district and the broader community by providing a wide range of experiences for persons of all ages. The services and programs were provided at 13 strategically located Community Education Centers (CECs) in the City of St. Louis. Each Center, serving as a hub within a geographical region, provided educational achievement classes, vocational training, literacy opportunities, linkages to social services, leadership development activities, summer enrichment offerings, neighborhood stabilization experiences, and senior citizen programming. The participants (approximately 14,000) were comprised of primarily low to moderate income youths and adults residing in the Greater St. Louis area.

Purpose

The purpose of the review was to determine the Agency's compliance with federal, state and local Community Development Administration (CDA) requirements for the period January 1, 2010, through December 31, 2010, and make recommendations for improvements as considered necessary.

Scope and Methodology

Inquiries were made regarding the Agency's internal controls relating to the grant administered by CDA. Evidence was tested supporting the reports the Agency submitted to CDA and other procedures were performed as considered necessary. Fieldwork was completed on April 27, 2011.

Exit Conference

There were no current observations; therefore, an exit conference was not considered necessary.

SUMMARY OF OBSERVATIONS

Conclusion

No evidence was found to suggest that the Agency did not comply with federal, state and local CDA requirements.

Status of Prior Observations

The Agency's previous fiscal monitoring report, Project #2010-CDA23, issued November 19, 2010, noted no observations.

A-133 Status

The Agency expended more than \$500,000 in federal awards for the period ending June 30, 2010; therefore, the Agency was required to have an A-133 Audit.

The report was dated December 23, 2010 and rendered unqualified opinions on both the general purpose financial statements as well as the report issued on compliance for major programs. There were material weaknesses and significant deficiencies identified on both the general purpose financial statements and the major federal awards. There were findings required to be disclosed in accordance with OMB Circular A-133, but did not apply to the CDBG passed through the City of St. Louis.

The Agency did not qualify as a low-risk auditee.

Summary of Current Observations

There were no current observations.